



DEPARTMENT
OF
ECONOMIC
DEVELOPMENT



301 West High Street, Suite
720-A
P.O. Box 1607
Jefferson City, MO 65102

Phone: 573-751-3419
Fax: 573-751-6834
E-mail: cu@ded.mo.gov

[www.ded.mo.gov/
creditunion](http://www.ded.mo.gov/creditunion)

Missouri Division of Credit Unions *NEWSLETTER*

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Field of Membership Rules Filed With Secretary of State

Two new rules and one amended rule have been filed with the Secretary of State to be published concerning a credit unions field of membership. The Credit Union Commission approved these rules at their meeting on May 15, 2006. 4 CSR 100-3.010 has been amended to re-define a well-defined local neighborhood, community, or rural district. The new definition closely mirrors the definition for a federal credit union set by the National Credit Union Administration (NCUA). As NCUA depicts in their Field of Membership and Chartering Manual, examples of what may be defined as a community for a community charter are given.

4 CSR 105-3.011 sets the definition for the terms "Immediate Family" and "Household" for credit unions seeking a field of membership expansion. The definitions for these terms were previously in 4 CSR 105.3010.

4 CSR 105-3.012 sets the definition for the terms "Underserved Community" and "Low Income Area" for credit unions seeking a field of membership expansion into these types of areas. The definitions for these terms were also previously in 4 CSR 105.3010.

These rules will be printed in the Missouri Register on July 15, 2006. A 30 day comment period from July 17, 2006 through August 16, 2006 will follow in which any party may comment in support of or opposition to the rules.

Merger and Consolidation Rule Filed with Secretary of State

Proposed rule 4 CSR 100-2.075 governing mergers and consolidations of Missouri state-chartered credit unions has been approved by the Credit Union Commission and filed with the Secretary of State.

Currently, only a statute exists for mergers and consolidations, whereby this rule will go into greater detail of what is re-

quired for a merger or consolidation.

Among the areas covered by this regulation is the submission of the merger or consolidation package for approval prior to the submission to the membership, guidelines for the voting of members, and details of what needs to be disclosed to the membership.

These rules will be printed in the Missouri Register on July 15, 2006. A 30 day comment period from July 17, 2006 through August 16, 2006 will follow in which any party may comment in support of or opposition to the rules.

Examiner Receives CPA Designation

Senior Examiner Erik Hemmann, from the St. Louis region, has received the designation of CPA. Erik has been with the Division since August of 2000 and is a graduate of the University of Missouri-Columbia.

Division of Credit Unions Earns NASCUS Reaccreditation

The Division of Credit Unions has received professional re-accreditation from the National Association of State Credit Union Supervisors (NASCUS), certifying that the Division maintains the highest standards and practices in state credit union supervision.

The NASCUS Accreditation Program identifies credit union divisions that serve the citizens of their state by operating a capable and professional regulatory program. The Division is required to complete annual reviews to NASCUS to maintain our accredited status and also undergoes a complete on-site re-accreditation process every fifth year. The Division was first accredited in 1990.

"NASCUS accreditation is a noteworthy designation and a tribute to the effectiveness of the state credit union regulatory system," said NASCUS President Mary Martha Fortney. "The credit union supervision in Missouri demonstrates the ability to meet NASCUS' accreditation performance standards and effectively fulfill its supervisory responsibility to charter, examine, supervise and regulate the credit unions chartered under the laws in Missouri."

The accreditation process includes disciplined self-evaluation, stringent peer review and a thorough on-site examination. Administered by the NASCUS Performance Standards Committee, the accreditation process measures a state regulator agency's ability and resources to carry out its programs effectively.

Division Director Attends NASCUS Orientation

Division of Credit Unions Director Sandra Branson recently attended the NASCUS New Commissioner's Orientation in Washington, D.C. The orientation was an opportunity for new commissioners to learn more about the state-chartered credit union system and to also meet individually with Chairman JoAnn Johnson, Vice-Chairman Rodney Hood and Board Member Gigi Hyland of the NCUA. In person meetings also included visiting with Jonathan Gould, Majority Counsel for the Senate Committee on Banking, Housing and Urban Affairs, and Emil Henry, Assistant Secretary of the Treasury for Financial Institutions.

Agency Consolidation

Effective August 28, 2006, the Division will be transferred from the Department of Economic Development into the newly named Department of Insurance, Financial Institutions and Professional Registration. This change, issued by Executive Order 06-04 from February 1, 2006, should be mostly transparent to those we regulate, short of a change to the Divisions letterhead, business cards, e-mail addresses, website address, etc. Changes to e-mail addresses and the website will be addressed in the next newsletter, however, the old addresses for both will continue to work for approximately a year as they will be forwarded to the new addresses. The phone numbers and physical location will remain the same until further notice.

The Division will continue to retain all authority as currently provided in statute.

Second Quarter Call Reports

Credit unions will be receiving their second quarter 2006 call report packets in the mail soon. Deadline for submission is July 24, 2006. Credit unions are highly encouraged to use the "e-send" option for submission of call reports.

Please note that all errors must be resolved and a comment must be provided for each warning before the "e-send" option can be selected. Many changes have been made to the call report process. If you have any questions, please contact your examiner or the Jefferson City office.

The 5300 Call Reports for the quarter ending June 30, 2006 are due on or before July 24, 2006